

**PORT OF BREMERTON**  
**BOARD OF COMMISSIONERS**  
**REGULAR BUSINESS MEETING**

**A G E N D A**

April 24, 2018  
6:00 PM

Bill Mahan Conference Room  
Port Administration Offices  
Bremerton Nat'l Airport Terminal Bldg  
8850 SW State Hwy 3, Bremerton

**Call to Order**

**Pledge of Allegiance**

**Approval of Agenda**

**Consent Items**

All matters listed under Consent Items have been distributed to each member of the Commission for reading and study, are considered to be routine, and will be enacted by one motion of the Commission with no separate discussion. If separate discussion is desired, that item may be removed from the Consent Items and placed under Action Items by request.

- A. Minutes of the regular business meeting and executive session of April 10, 2018.
- B. Payment of checks #103145 through #103172 and #77594 through #77597 and #77604 through #77662 from the General Fund for \$215,450.12; #77598 through #77603 from the Construction Fund for \$27,741.98 and the payment of payroll taxes for \$16,226.39.

**Information Items**

- 1. Bremerton Pilots Association Scholarship Program Update

**Citizen Comments:** *Open to the public for comment. Speakers are asked to keep their comments to less than 3 minutes. A Commissioner may request to waive the 3 minute time limit. Please feel free to submit further comments in writing to the Clerk of the Board.*

**Action Items**

- 1. Marina Rules and Regulations – *Tabled from March 27, 2018*
- 2. Ratification of Agreement with Teamsters Local Union 589
- 3. Lease Amendment #3 with VRC, LLC.

**New Business**

**Staff Reports**

**Commission Reports**

**Executive Session** *(if necessary)*

**Adjournment**

*Regular business and other meetings that may be attended by members of the Board*

<u><i>Date</i></u>	<u><i>Time</i></u>	<u><i>Meeting</i></u>
<i>04/24/18</i>	<i>12:30 pm</i>	<i>Kitsap Aerospace &amp; Defense Alliance Steering Committee</i>
<i>04/24</i>	<i>6 pm</i>	<i>*Commission Regular Meeting – Bill Mahan Conference Rm</i>
<i>04/26</i>	<i>9 am</i>	<i>Puget Sound Regional Council (PSRC) Operations Committee</i>
<i>04/26</i>	<i>10 am</i>	<i>PSRC Executive Board</i>
<i>05/01</i>	<i>10:15 am</i>	<i>Kitsap Regional Coordinating Council (KRCC) Executive Board</i>
<i>05/02</i>	<i>1 pm</i>	<i>PSRC Economic Development Board</i>
<i>05/08</i>	<i>10 am</i>	<i>*Commission Regular Meeting – Bill Mahan Conference Rm</i>

*Meetings are subject to change or cancellation*

*\*Denotes events in which two (2) or more Commissioners may attend*

**PORT OF BREMERTON**  
**BOARD OF COMMISSIONERS**  
**REGULAR BUSINESS MEETING**

**MINUTES**

April 10, 2018  
6:00 PM

Bill Mahan Conference Room  
Port Administration Offices  
Bremerton Nat'l Airport Terminal Bldg  
8850 SW State Hwy 3, Bremerton

**Call to Order**

Due to the possibility of having to leave the meeting, President Stokes turned the meeting over to Commissioner Strakeljahn who called the meeting to order at 10:00 a.m. and led the Pledge of Allegiance.

**Commissioners and Staff Present**

Commissioners

Larry Stokes  
Cary Bozeman  
Axel Strakeljahn

Staff Members

Jim Rothlin  
Fred Salisbury  
Sherman Hu  
Arne Bakker

Tim Mensonides  
Ginger Waye  
Anne Montgomery, Atty

**Approval of Agenda**

**It was moved by STOKES, seconded by BOZEMAN to:**

Approve the Agenda as presented.

**MOTION CARRIES, 3-0**

**Consent Items**

- A. Minutes of the regular business meeting of March 27, 2018.
- B. Payment of checks #103114 through #103144 and #77533 through #77535 and #77539 through #77593 from the General Fund for \$135,121.19; #77536 through #77538 from the Construction Fund for \$31,106.38 and the payment of payroll taxes for \$17,574.63.

**It was moved by BOZEMAN, seconded by STOKES to:**

Approve the Consent Items as presented.

**MOTION CARRIES, 3-0**

## **Information Items**

### **1. Washington Avenue Property Update – Sound West Group**

Wes Larson, Principal, provided history and an overview of Sound West Group including their development strategy and detail on past projects. There was discussion with the Board on rental rates in Bremerton and potential methods for attaining affordable housing.

Mike Brown, Principal, described drawings that will be presented to the design review board for the Marina Square project in downtown Bremerton at Washington Avenue and 2<sup>nd</sup> Street and provided details of the layout which includes a Cambria Hotel and Suites and a residential building. Included will be three garage levels with the lowest level off second street containing Port parking for marina tenants. He discussed several portions of the project including ownership/maintenance of the courtyard; how the project will complement the Harborside steps; capability of including commercial with residential; view from the project area; public access; floorplate drawings for 9 levels; overall parking; and a potential pier/bridge over to the boardwalk. Mr. Brown responded to questions and comments from the Board and CEO. The Board and CEO thanked Sound West for their vision and interest in the community stating the Port relied on picking the right partner and watching this project morph into what is happening is beyond expectation.

### **2. Bremerton Bridge Blast – Boomtown Productions LLC**

Sunny Saunders, Sunny Jack Events, and John Miller, Boomtown Productions, provided background on their companies. Mr. Miller announced this year's Bridge Blast would be held on June 30, 2018. Commissioner Stokes suggested they communicate and coordinate with Port Orchard due to the Fathoms O'Fun parade being held the same day. Ms. Saunders provided a summary of the 2017 event including photos and discussion on funding. She and Mr. Miller gave an overview of the plans for the 2018 Bridge Blast including the VIP event on the USS Turner Joy, an airshow, anticipated logistics with a potential need for marina and airport assistance, and City of Bremerton support. There was discussion about the logistics cost and the need for \$60,000 for the event with sponsorship of \$50,000 needed. Sponsorship levels were provided and the Board suggested any request for support be put in writing for consideration; however, it was noted this type of funding for 2018 had already been obligated.

## **Citizen Comments**

John Hanson, President, Bremerton Historic Ships Association (BHSA)

- Attended this meeting in support of the Bridge Blast but took the opportunity to thank the Port for their partnership in the USS Turner Joy preservation project and to provide an update on the programs associated with the Turner Joy. Commissioner Bozeman urged BHSA to build up the board in support of Mr. Hanson so there is a good succession plan.

## Action Items

1. Support of Washington State Department of Transportation (WSDOT) Airport Aid Application for Design of Airport Lighting Project  
*Presented by Tim Mensonides, Airport Manager*

Following discussion;

**It was moved by BOZEMAN, seconded by STOKES to:**

Approve Resolution 2018-03 supporting a WSDOT Airport Aid Application for the 2018 Design of the Airfield Lighting Project at Bremerton National Airport

**MOTION CARRIES, 3-0**

**New Business** - None

## Staff Reports

*Jim Rothlin, Chief Executive Officer*

- Continuing to move forward on design of an industrial park building.
- New website has been launched with a refreshed and more modern look.
- Saints Car Club held its first "Cruise-In" car show on April 4. Despite rainy weather, it was a successful day. Future car shows will be weather-dependent.
- An overwhelmingly successful ribbon-cutting for the Airport Pilots' Lounge was held March 31.
- Airlift Northwest has scheduled a community open house on June 16.
- Olympic Mountain Rescue will be utilizing the conference room on April 21 for training.
- Freedom Boat Club at Bremerton Marina held its ribbon-cutting on a rainy April 7.
- Attended the Celebration of Life for Port Attorney Gordon Walgren who passed away on March 13. It was a very nice event with many past and present Port representatives attending and Commissioner Stokes being one of the speakers.

## Commission Reports

*Commissioner Strakeljahn*

- Reported on the recent Kitsap Regional Coordinating Council (KRCC) Executive Board meeting and discussed the KRCC response letter to Puget Sound Regional Council's (PSRC) draft VISION 2050 plan.

## **Executive Session**

Commissioner Strakeljahn recessed the meeting at 11:55 a.m. and reconvened into executive session at 12:00 noon for approximately 15 minutes regarding: real estate issues [RCW 42.30.110(1)(b) and (c)]. At 12:15 p.m. executive session was extended 15 minutes.

At 12:30 p.m. the regular meeting was reconvened.

## **Adjournment**

There being no further business before the Board, the meeting was adjourned at 12:30 p.m.

Submitted,

Jim Rothlin  
Chief Executive Officer  
April 19, 2018

Approved,

Axel Strakeljahn  
Commission Secretary  
April 24, 2018

Draft

**PORT OF BREMERTON**  
**BOARD OF COMMISSIONERS**  
**EXECUTIVE SESSION**

**MINUTES**

April 10, 2018  
12:00 PM

CEO Office  
Port Administration Offices  
Bremerton Nat'l Airport Terminal Bldg  
8850 SW State Hwy 3, Bremerton

**Call to Order**

Commissioner Strakeljahn called the executive session to order at 12:00 p.m., April 10, 2018.

**Commissioners and Staff Present**

Commissioners

Larry Stokes  
Cary Bozeman  
Axel Strakeljahn

Staff Members

Jim Rothlin  
Arne Bakker  
Anne Montgomery, Atty

**Item #1:** Real estate issues were discussed [RCW 42.30.110(1)(b and c)].

With no further business to come before the Board, the meeting was adjourned into regular session at 12:30 p.m.

Submitted,

Approved,

Jim Rothlin  
Chief Executive Officer  
April 19, 2018

Axel Strakeljahn  
Commission Secretary  
April 24, 2018

**PORT OF BREMERTON**  
**AGENDA SUMMARY**

Agenda Item No: Action Item #1  
Subject: Marina Rules and Regulations Revisions – *Tabled from March 27, 2018*  
Exhibits: Administrative and Policy Changes  
Prepared By: Bob Wise, Marsh Andersen LLC  
Kathy Garcia, Marina Operations Manager  
Meeting Date: April 24, 2018

**Summary:**

On March 27, the marina staff presented the revision of current Marina Rules and Regulations, which was last updated on February 23, 2011. The previous presentation of the revisions will be revisited. The details have since been reviewed and approved by legal counsel.

**Fiscal Impact:**

NONE

**Recommendation:**

Approve revisions to the Marina Rules and Regulation to go into effect June 1, 2018. This will allow time to revise other marina documents, including the moorage lease agreement, so that all are consistent with each other.

**Motion for Consideration:**

**Move to approve the revised Marina Rules and Regulations effective June 1, 2018.**

# Rules and Regulations – Administrative Changes

- Licensor/Licensee vs. Landlord/Tenant
- Recreational Operators Liability Insurance Changes
  - Vessels less than 60' unchanged at \$300,000
  - Vessels greater than 60' increased to \$500,000
- Commercial Vendor Liability Insurance Coverage
  - Minimum coverage increased to \$1M
- Consolidate ancillary deposits with moorage deposit
- Minor tweaks to sub-leasing arrangement – licensee shall provide parking and access credentials to anyone who uses their slip
- Copy of Washington vessel registration must be updated annually with the office
- Added copies of the applicable state laws for how abandoned vessels are dealt with



# Rules And Regulations – Policy Changes

- No permanent moorage will be allowed on the outside of the marina break water
- Temporary moorage on the outside of marina break water will be limited to 72 hours. Extended periods must be approved through Port commission
- Discounts for licensee to use guest moorage eliminated on 3 busiest holiday weekends
- Background checks implemented for new live aboard licensee. Background check fees paid by applicant.
- Liveaboard privileges limited to immediate family members
- Airbnb, VRBO and other similar operations will not be allowed



**PORT OF BREMERTON**  
**AGENDA SUMMARY**

Agenda Item No: Action Item #2  
Subject: 3 Year Agreement with Teamsters Local Union 589  
Exhibits: Agreement  
Prepared By: Sherman Hu, Chief Financial Officer  
Meeting Date: April 24, 2018

**Summary:**

Negotiations of the 2018-2021 Union Agreement with the Teamsters Local Union 589 have been completed, with the union members voting to accept the contract on April 12, 2018. The Contract runs from June 1, 2018 through May 31, 2021. Ratification of the Agreement is required by the Port Commission.

**Fiscal Impact:**

The financial impact to the effective Contract date of June 1, 2018 is based on 3.3% COLA increase. COLA increase is capped at 3.5%.

**Recommendation:**

Staff recommends that the Commission ratify the 2018-2021 Agreement with Teamsters Local Union 589.

**Motion for Consideration:**

**I move that the Port ratify the 2018-2021 Agreement with Teamsters Local Union 589.**

**PORT OF BREMERTON**  
**AGENDA SUMMARY**

Agenda Item No:    Action Item #3  
Subject:            Lease Amendment with VRC, LLC  
Exhibits:           Lease Amendment #6  
Prepared By:        Arne Bakker, Director of Business Development  
Meeting Date:       April 24, 2018

**Summary:**

VRC, LLC lease approximately 1.49 acres in the Olympic View Industrial Park. This amendment has a rental rate adjustment for year 2018 through 2023. The yearly increase (\$606.93) was based on a rate derived from five years (2012-2017) of cumulative change to the CPI Seattle-Tacoma-Bellevue index in accordance with the provisions of the lease. The Port Attorney has reviewed the lease amendment.

**Fiscal Impact:**

None

**Recommendation:**

Staff recommends approval of the lease amendment.

**Motion for Consideration:**

**Move to approve Lease Amendment #6 with VRC, LLC**

## AMENDMENT TO LEASE No. 6 VRC LLC

**IT IS HEREBY AGREED** by and between the **PORT OF BREMERTON**, a municipal corporation organized under the laws of the State of Washington, hereinafter referred to as “Port” and **VRC**, a Limited Liability Company, hereinafter referred to as “Lessee”, to amend that certain lease dated May 9, 1978 (Auditor’s file #7806270104); amended January 14, 1991; and further amended November 9, 1999, January 28, 2003, May 13, 2008, and May 8, 2013 and as assigned from James H. Robinson and Audrey M. Robinson, husband and wife; James E. Carlson and Shirley Carlson, husband and wife; Gerard S. Vergeer Jr. and Shirley Vergeer, husband and wife, to read as follows (all other terms remain the same):

#### **4. RENT**

**a.** Lessee shall pay to the Lessor in annual installments, in advance on or before the 1st day of May of each year, 2018 through 2023, the sum of **FIVE THOUSAND THREE HUNDRED THIRTY FOUR and 21/100 DOLLARS (5,334.21)**. Said sum is computed at a rate derived from five years (2012 through 2017) of cumulative change to the CPI-U Seattle-Tacoma-Bremerton Index in accordance with provisions in paragraph 4.b of the original lease. The Lessee hereby agrees and accepts that it is leasing approximately 1.49 acres of land. In the event any rental payment is not made within ten (10) days of its due date, Lessee shall also pay the Port a late payment penalty in the amount of \$50.00 for each such delinquent rental payment, together with interest on the delinquent total at the rate of eighteen percent (18%) per annum (minimum \$20.00 per month) until the delinquency is cured. The acceptance of rent by the Port for any period or portions thereof after default by the Lessee shall not constitute a waiver of the default unless the Port so notifies Lessee in writing. The Lessee agrees that the Port shall have a lien against all assets of the Lessee located on the Premises or used in connection with the Lessee’s occupation of the Premises for all rents, charges, interest and fees payable under this Lease, and the Lessee further agrees that it shall not remove any of said assets from its locations until all such charges and fees payable under this Lease are paid in full.

**IN WITNESS WHEREOF** the parties hereto have caused this Amendment to Lease this 9th day of May, 2018.

**VRC, LLC**  
**A Limited Liability Company**

**PORT OF BREMERTON**  
**A Municipal Corporation**

\_\_\_\_\_  
Audrey M. Robinson, Managing Partner

\_\_\_\_\_  
Commission President

\_\_\_\_\_  
Commission Vice-President

\_\_\_\_\_  
Commission Secretary

Date signed: \_\_\_\_\_

Date signed: \_\_\_\_\_

Approved As To Form:

\_\_\_\_\_  
Port Attorney  
Date: \_\_\_\_\_

STATE OF )  
 )ss  
County of )

On this \_\_\_\_\_ day of \_\_\_\_\_ before me personally appeared Audrey M. Robinson to me known to be the Co-Manager of the limited liability company that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said company, for the uses and purposes therein mentioned, and that they are authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal the day and year first above written.

\_\_\_\_\_  
Notary Public in and for the State of Washington

\_\_\_\_\_  
Name Printed

residing at \_\_\_\_\_

My commission expires: \_\_\_\_\_

STATE OF WASHINGTON )  
 )ss  
County of KITSAP )

On this \_\_\_\_\_ day of \_\_\_\_\_ before me personally appeared \_\_\_\_\_

to me known to be the \_\_\_\_\_ of the **Port of Bremerton**, the municipal corporation that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said municipal corporation, for the uses and purposes therein mentioned, and that they are authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal the day and year first above written.

\_\_\_\_\_  
Notary Public in and for the State of Washington

\_\_\_\_\_  
Name Printed

residing at \_\_\_\_\_

My commission expires: \_\_\_\_\_

STATE OF WASHINGTON )  
 )ss  
County of KITSAP )

On this \_\_\_\_\_ day of \_\_\_\_\_ before me personally  
appeared \_\_\_\_\_

to me known to be the \_\_\_\_\_  
of the **Port of Bremerton**, the municipal corporation that executed the within and foregoing  
instrument, and acknowledged the said instrument to be the free and voluntary act and deed of  
said municipal corporation, for the uses and purposes therein mentioned, and that they are  
authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal the  
day and year first above written.

\_\_\_\_\_  
Notary Public in and for the State of Washington

\_\_\_\_\_  
Name Printed

residing at \_\_\_\_\_

My commission expires: \_\_\_\_\_